



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

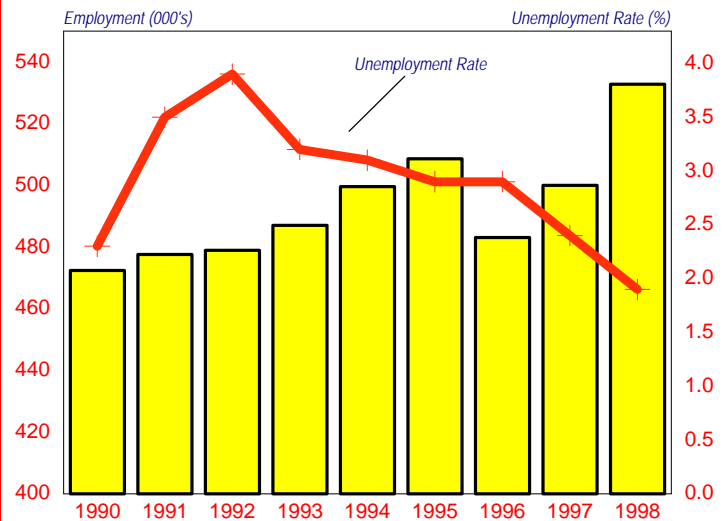
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NOVEMBER HIGHLIGHTS

- ❑ While the County's unemployment rate inched up 0.1 point to 1.9 percent in September, according to data reported by the Virginia Employment Commission, it still remains below that of one year ago.
- ❑ The Commonwealth's unemployment rate increased a moderate 0.1 point to 3.2 percent in September, as did the national unemployment rate, which now stands at 4.6 percent.
- ❑ Fairfax County's November Sales Tax receipts, representing retail purchases made in September, were \$8.9 million, down 1.4 percent relative to the prior year. Despite this decline, sales tax receipts fiscal year-to-date total \$36.1 million and lead the prior year by 6.7 percent.
- ❑ Issues of new residential dwelling permits gained significantly for a second consecutive month in October, resulting in a cumulative 47.9 percent margin, or 2,414 permits, over last year.
- ❑ The median sales prices of existing single family and townhomes have increased relative to last year, while that of existing condominiums has declined. Comparatively, the median sales prices of all types of new homes have increased slightly.
- ❑ The sales volumes of all types of existing homes through September continue to outpace that of 1997 by significant margins. By contrast, the sales volumes of new single family homes and townhomes indicate only modest increases.
- ❑ The Conference Board's South Atlantic Consumer Confidence Index registered a significant decline for the second consecutive month, dropping 6.9 points in October to its lowest level of the year. A sharp decline was also registered in the National Consumer Confidence Index.
- ❑ Both the Fairfax County Coincident and Leading Indices increased slightly in September. The Metropolitan Coincident Index also gained slightly in September, while the Metropolitan Leading Index declined.

RESIDENTIAL EMPLOYMENT- SEPTEMBER



Source: Virginia Employment Commission
Compiled by the Fairfax County Dept. of Management and Budget

The County's unemployment rate of 1.9 percent remains below that of one year ago...

The County's unemployment rate increased 0.1 point in September to 1.9 percent, according to the Virginia Employment Commission (VEC). Consistent with recent trends, the unemployment rate is notably below that of one year ago when a rate of 2.4 percent was recorded. The VEC also reported that 532,815 Fairfax County residents were employed in September, up 6.6 percent, or 32,839 jobs, over the prior year.

The unemployment rates on both the State and national levels increased a modest 0.1 point...

The Commonwealth's unemployment rate inched up 0.1 point to 3.2 percent in September. Again, this rate is notably below that of the prior year when the unemployment rate was 3.9 percent. Nationally, the unemployment rate also increased a modest 0.1 point in September, to 4.6 percent.



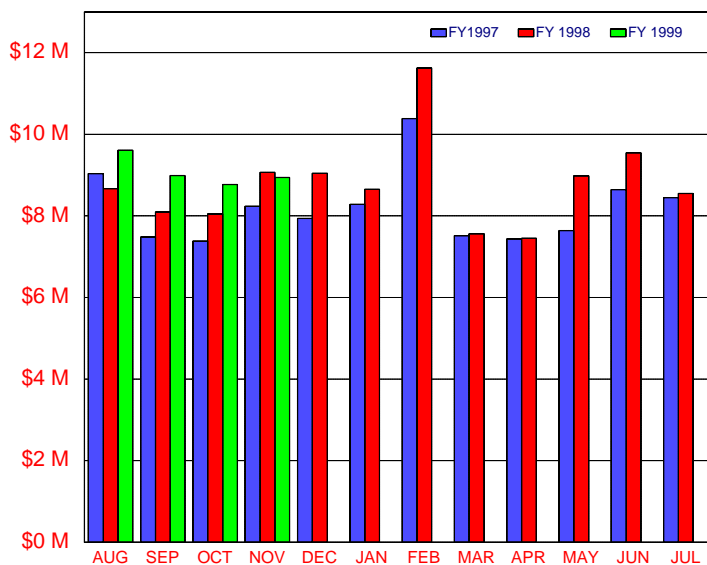
The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



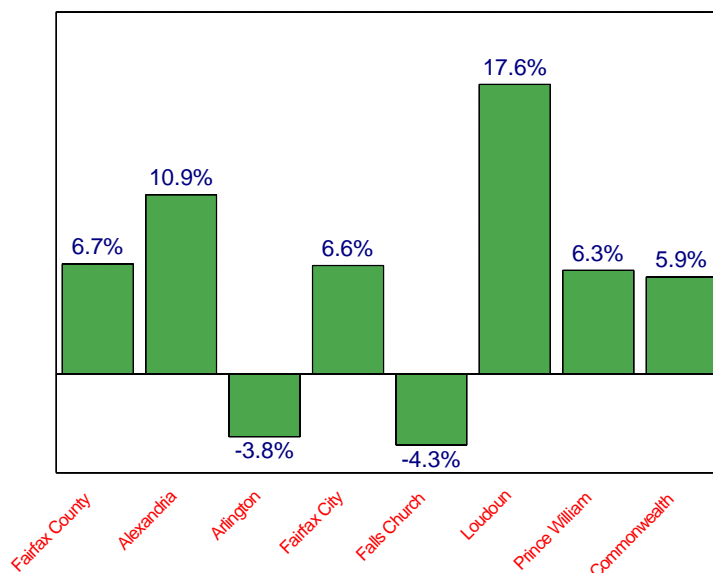
SALES TAX REVENUES

(revenues represent retail sales two months prior)



Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

FY 1999 SALES TAX RECEIPTS -THROUGH NOVEMBER



Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

The County's sales tax receipts total \$36.1 million through November and top the prior year by 6.7 percent...

Fairfax County's November sales tax receipts, representing retail purchases made in September, are \$8.9 million and trail the prior year by 1.4 percent. To date, fiscal year sales tax receipts total \$36.1 million and lead last year by a 6.7 percent margin.

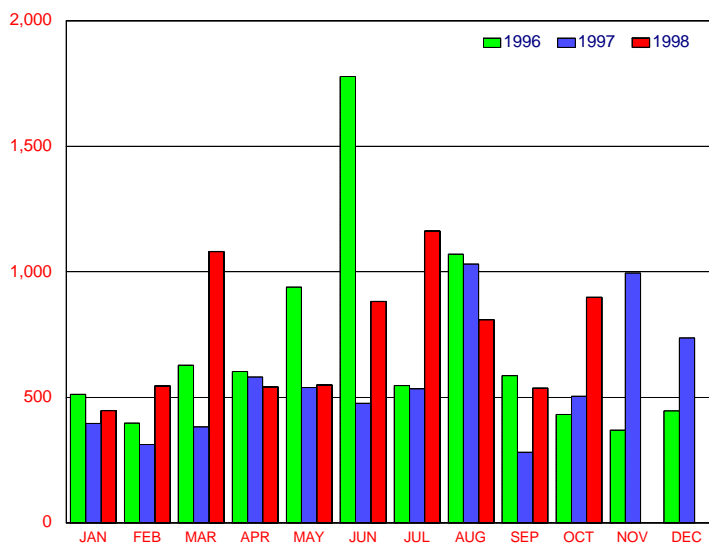
Retail performance throughout Northern Virginia extremely varied to date...

September retail performance, as indicated by November sales tax receipts, throughout Northern Virginia was extremely varied. Growth in November sales tax receipts ranged from an increase of 23.9 percent in Loudoun to a decrease of 13.0 percent in Arlington. Additionally, there is considerable variability in cumulative fiscal year totals. Sales tax receipts through November are up 17.6 percent in Loudoun, 10.9 percent in Alexandria, 6.6 percent in Fairfax City and 6.3 percent in Prince William. By contrast, cumulative sales tax receipts trail the prior year by 4.3 percent in Falls Church and 3.8 percent in Arlington. The Commonwealth experienced a 5.0 percent increase in November sales tax receipts. As a result, cumulative sales tax receipts for the Commonwealth top the prior year by 5.9 percent.

September retail sales on the national level top the prior year by 4.4 percent...

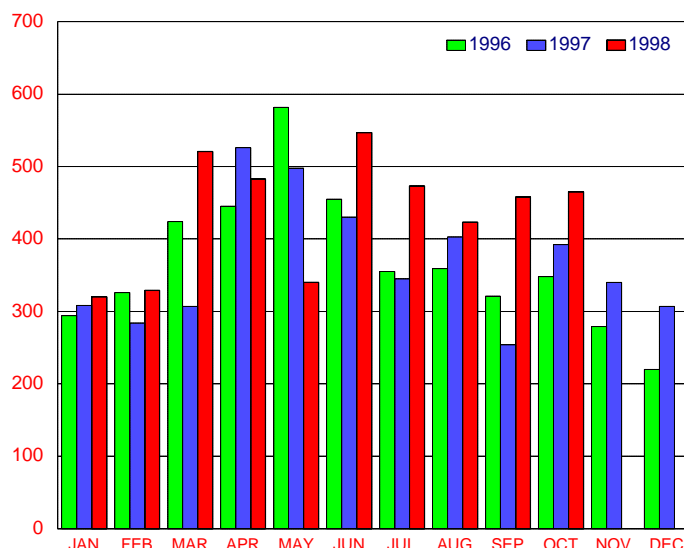
According to the Commerce Department, September retail sales on the national level outpaced the prior year by 4.4 percent. Durable goods sales posted an advance of 5.4 percent, reflecting gains in all three components, while nondurable goods sales surpassed the prior year by 3.7 percent. Once again, five of the six major components of nondurable goods sales made positive contributions, ranging from an increase of 2.1 percent to 7.7 percent. Drug and proprietary stores, as well as general merchandise group stores, experienced the more significant gains, while apparel and accessory stores reported a more moderate advance. In contrast, gasoline service stations continue to register declines relative to the prior year due to historically low oil prices.

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW DWELLINGS



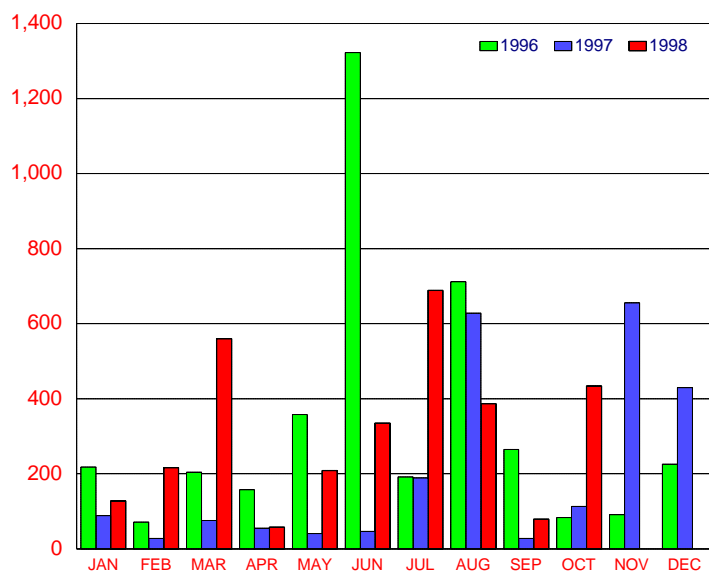
Source: Department of Environmental Management
Compiled by the Fairfax County Dept. of Management and Budget

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW SINGLE FAMILY DWELLINGS



Source: Department of Environmental Management
Compiled by the Fairfax County Dept. of Management and Budget

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW MULTIFAMILY DWELLING



Source: Department of Environmental Management
Compiled by the Fairfax County Dept. of Management and Budget

Issues of new residential dwelling permits increased sharply in October....

Issues of new residential dwelling permits in October registered significant gains for the second month in a row, surpassing October

1997 by 78.0 percent, or 394 permits. With this gain, the total number of permits issued to date is 7,455 and tops the prior year by 47.9 percent, or 2,414 permits. This significant lead is primarily due to gains in the multifamily component. To date, 3,096 permits have been issued for multifamily structures, reflecting an increase of 139.3 percent, or 1,802 permits relative to last year. Permit issues for single family structures total 4,359 through October, up 16.3 percent, or 612 permits, relative to 1997.

The number of residential repair and alteration permits issued in October declined significantly....

The number of residential repair and alteration permits issued in October declined a sharp 27.0 percent, or 374 permits, relative to last year. The total number of residential repair and alteration permits issued to date trails the prior year by 5.0 percent, or 631 permits, with 12,025 issued thus far.

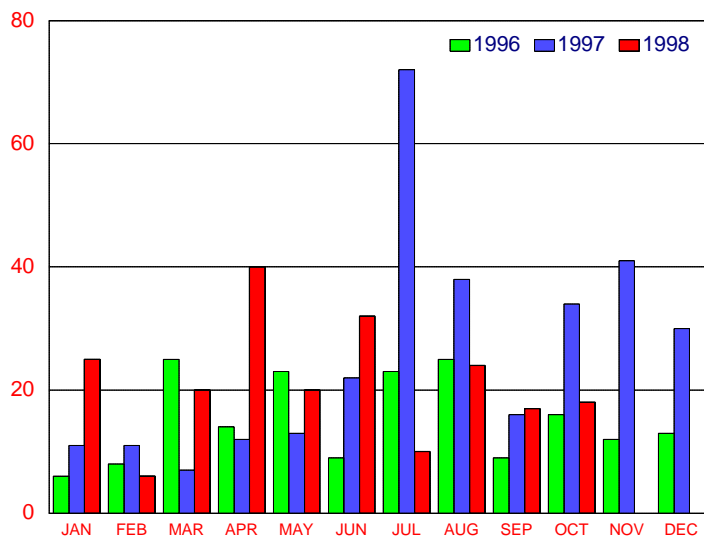
Through October, housing starts on the national level continue to outpace the prior year....

Based on data through October, new privately owned housing starts on the national level continue to lead the prior year. To date, housing starts are outpacing the same period in 1997 by 9.5 percent, according to the Commerce Department. Regionally, the Northeast is registering the greatest lead with an 11.4 percent increase, followed by gains of 10.4 percent in the South, 9.2 percent in the West, and 7.2 percent in the Midwest.

The number of residential building permits issued nationwide through October also continues to outpace the prior year....

The Commerce Department also reported that the number of residential building permits issued nationwide through October continues to exceed that of the prior year. To date, a lead of 10.0 percent has been established, with growth experienced in all four regions. Residential building permit issues are up 13.4 percent in the South, 9.1 percent in the Northeast, 8.1 percent in the West, and 5.5 percent in the Midwest.

NUMBER OF NONRESIDENTIAL BUILDING PERMITS NEW STRUCTURES



Source: Department of Environmental Management
Compiled by the Fairfax County Dept. of Management and Budget

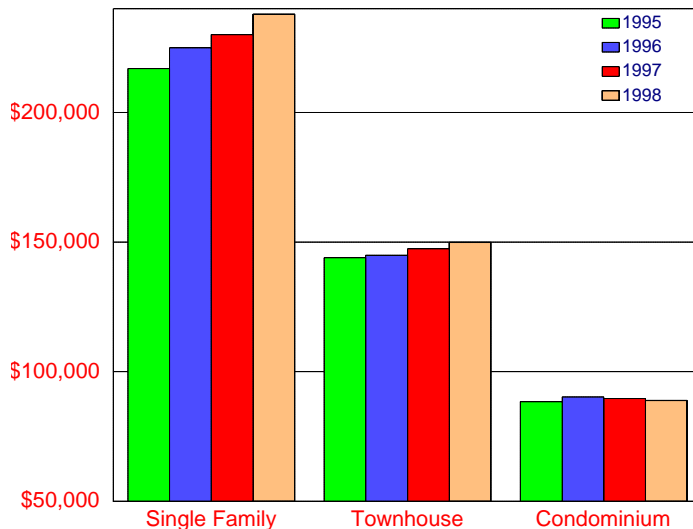
The number of nonresidential permits issued by the County through October trails the prior year by 10.2 percent...

The number of nonresidential permits issued by the County in October fell short of last year by a significant 47.1 percent margin, or 16 permits. To date, a cumulative deficit of 10.2 percent, or 24 permits, exists relative to 1997. A total of 212 nonresidential permits have been issued to date. The number of nonresidential repair and alteration permits issued by the County in October reflects a gain of 8.3 percent, or 28 permits, over the same period in 1997. The 3,322 nonresidential repair and alteration permits issued to date lead the prior year by 3.1 percent, or 100 permits.

The number of nonresidential permits issued by the County in October fell short of last year by a significant 47.1 percent margin, or 16 permits. To date,

HOME SALES IN FAIRFAX COUNTY

MEDIAN PRICE OF EXISTING HOMES SOLD JANUARY-SEPTEMBER 1998 COMPARED TO ANNUAL MEDIAN PRICES 1995 - 1997



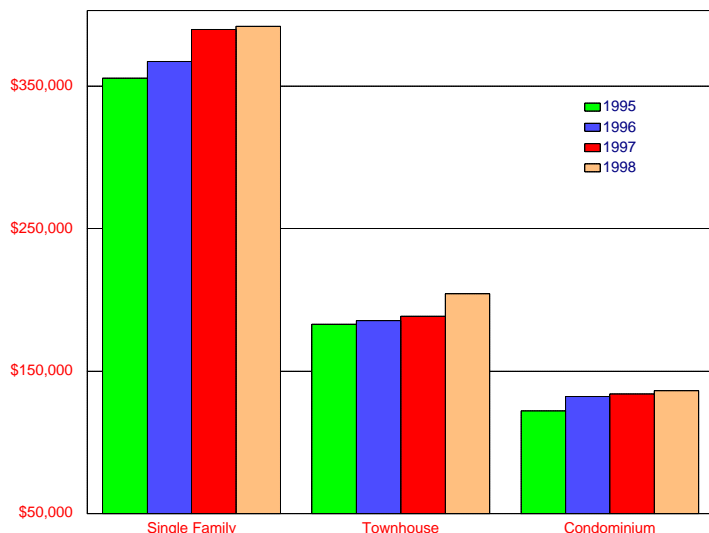
Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

The selling prices of existing single family and townhomes up slightly through September...

Based on sales data through September, the median selling prices of existing single family and townhomes continue to exhibit modest increases, while that of existing condominiums still lags slightly behind 1997. The median selling price of existing single family homes sold through September is \$238,000, an increase of \$8,000, or 3.5 percent, over 1997's median selling price of \$230,000. Similarly, a median price of \$149,900 has been established for existing townhomes sold through September, up 1.6 percent over the \$147,500 registered in 1997. By contrast, existing condominium sales through September continue to indicate a decline in the median selling price, dropping 0.7 percent to \$89,000 from 1997's \$89,625.

Please note that staff verifies that each real estate transaction is an arms-length sale. In doing so, these data may be revised.

**MEDIAN PRICE OF NEW HOMES SOLD
JANUARY - SEPTEMBER 1998
COMPARED TO ANNUAL MEDIAN PRICES 1995 - 1997**



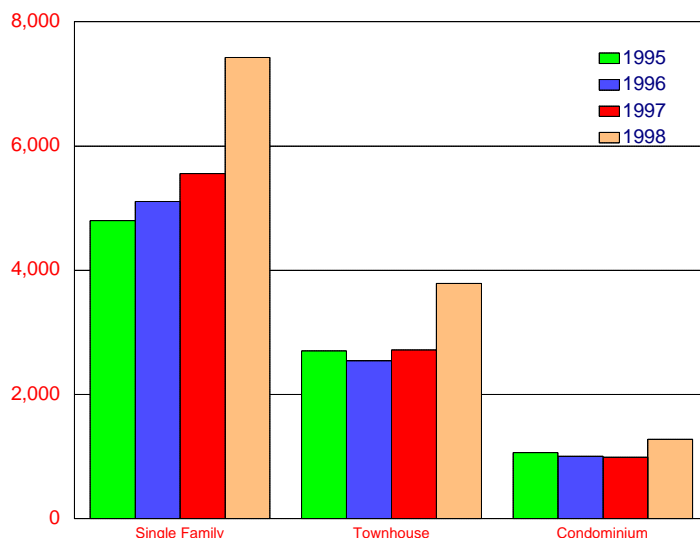
Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

The median selling prices of all types of new homes sold through September are slightly above that of last year...

Sales data through September indicate increases in the median selling prices of all types of new homes, albeit modest leads in the prices of

single family homes and condominiums. Through September, the median selling price of new single family homes has increased a slight 0.6 percent to \$392,000 from the \$389,747 established in 1997. The median selling price of new condominiums has also posted a small gain, topping 1997's \$134,038, by 1.6 percent to \$136,215. The median selling price of new townhomes has increased by a more significant 8.3 percent, to \$204,200 from the \$188,481 registered in 1997.

**NUMBER OF EXISTING HOMES SOLD
JANUARY - SEPTEMBER**



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

The sales volumes of all types of existing homes continues to outpace the prior year...

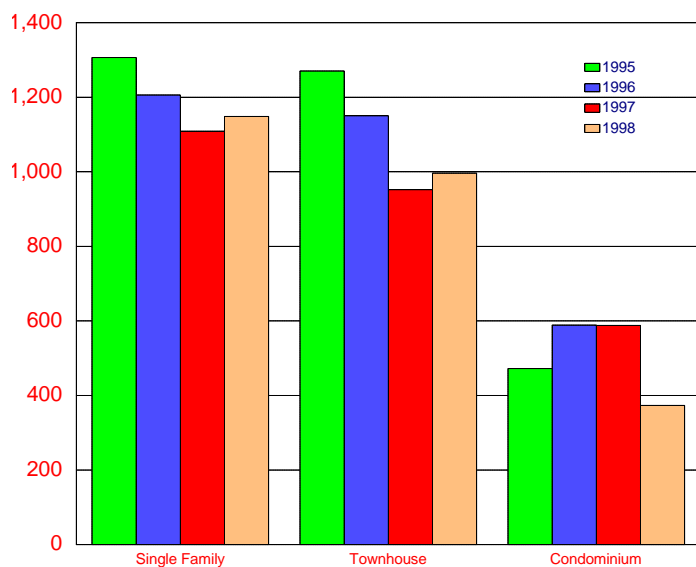
The sales volumes of all types of existing homes in September outpaced that of one year ago by significant margins, thereby contributing to the year-to-date leads established in prior months. To date, 3,787 existing townhomes have been sold, up 39.5 percent, or 1,073 units, as compared to 1997. Sales of existing single family homes for this period top the prior year by 33.6 percent, or 1,865 units. Through September, 1,279 existing condominiums were sold, exceeding last year's volume by 29.5 percent, or 291 units.

**PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD
JANUARY - SEPTEMBER 1998 COMPARED TO 1997 ANNUAL**

	Existing Sales	New Sales
Single Family	3.5	0.6
Townhouse	1.6	8.3
Condominium	-0.7	1.6

Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

NUMBER OF NEW HOMES SOLD JANUARY - SEPTEMBER



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Sales volume of new condominiums continues to trail 1997, while the sales volumes of new townhomes and single family homes are up...

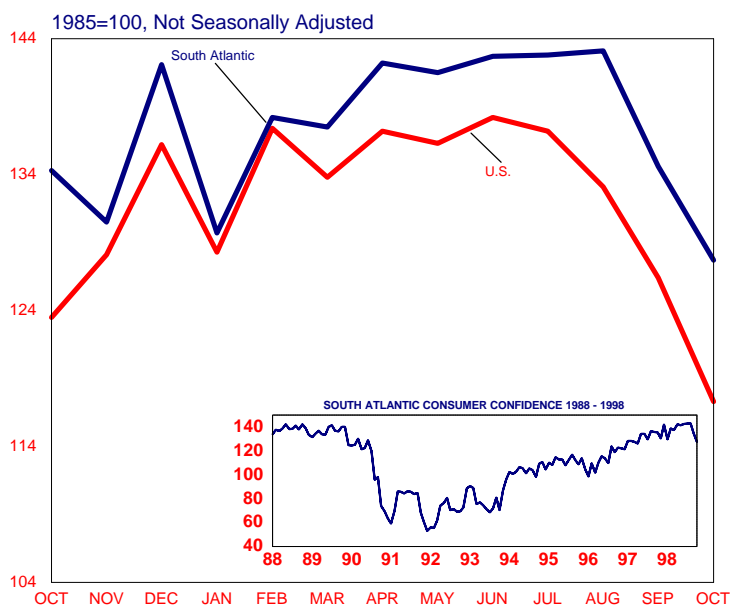
The sales volume of new condominiums trails the prior year significantly, while sales of new townhomes and single family homes indicate moderate increases. Through September, only 373 new condominiums were sold, indicating a deficit of 36.6 percent, or 215 units, compared to the prior year. By contrast, 997 new townhomes have been sold to date, an increase of 4.7 percent, or 45 units over the prior year. Through September, 1,149 single family homes have been sold, indicating a lead of 3.6 percent, or 40 homes, relative to last year.

Nationally, the sales volume of new homes continues to top that of the prior year...

Through September, the sales volume of new homes nationwide leads the prior year by 8.4 percent, according to the Commerce Department. New home sales to date are up 19.3 percent in the Midwest, 8.7 percent in the West and 6.0 percent in the South, and a more modest 1.6 percent in the Northeast.

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDICES

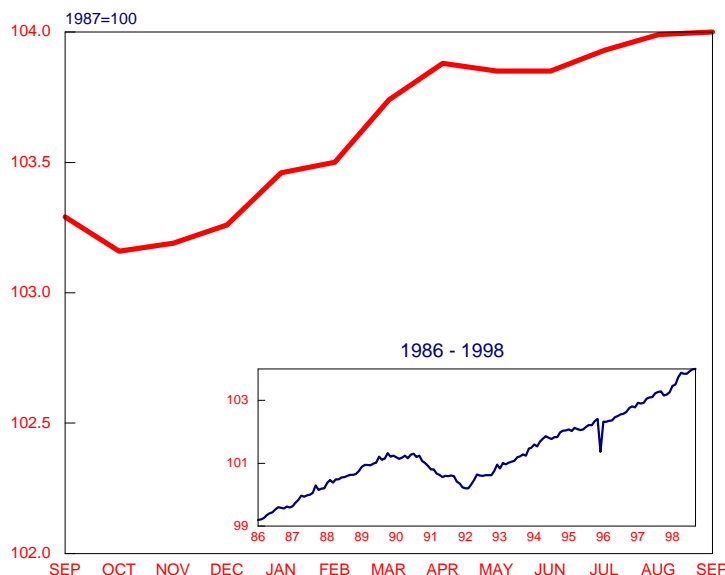


Consumer confidence plummets in October...

The Conference Board's South Atlantic Consumer Confidence Index registered a significant decline for the second consecutive month in October, dropping 6.9 points to 127.7. This is the Index's lowest level in the past twelve months and it now trails October 1997 by 6.6 points. The national Consumer Confidence Index also declined significantly in October, falling 9.1 points to 117.3. Again, this is the Index's lowest level in the past 12 months. This month's decline marks the fourth consecutive drop in national consumer confidence, and the Index's lowest reading in 1998, according to analysts at the Conference Board. The national Consumer Confidence Index is now 6.1 points below its October 1997 level.

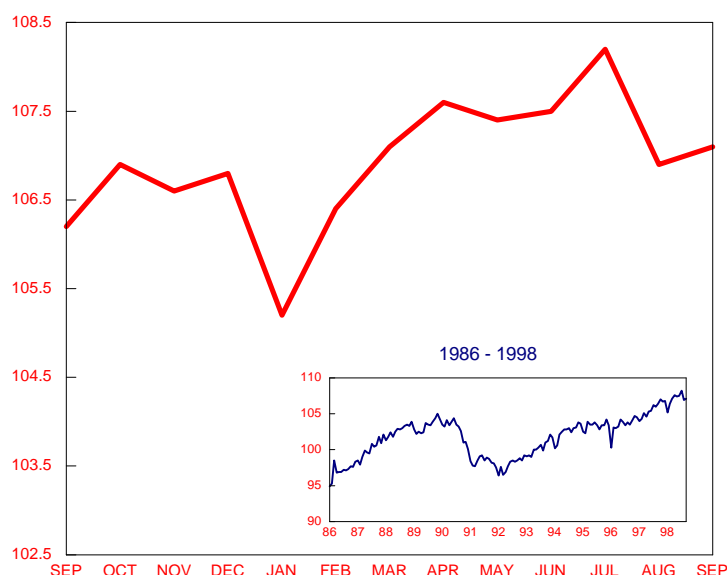
The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices which consider the Washington Metropolitan economy and the Virginia Indices which focus on the entire Commonwealth. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses. Please note that the Virginia Indices were not available at time of publication.

FAIRFAX COUNTY COINCIDENT INDEX



Sources: Center for Regional Analysis, George Mason University
Fairfax County Dept. of Management and Budget

METROPOLITAN COINCIDENT INDEX



Source: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

The Fairfax County Coincident Index advanced slightly...

The Fairfax County Coincident Index, which represents the current state of the County's economy, increased a slight 0.01 point to 104.0 in September. Year-to-date, the Index has gained 0.65 percent, a slightly slower rate than that achieved during the same period last year. Two of the Index's four components made positive contributions in September. Total employment increased for the third consecutive month and for the seventh time in 1998 and consumer confidence in the present situation was up slightly after declining in August. In contrast, transient occupancy tax collections, adjusted for inflation and seasonal variation, declined for the fourth month in a row and sales tax receipts, adjusted for inflation and seasonal variation, was down for a second consecutive month.

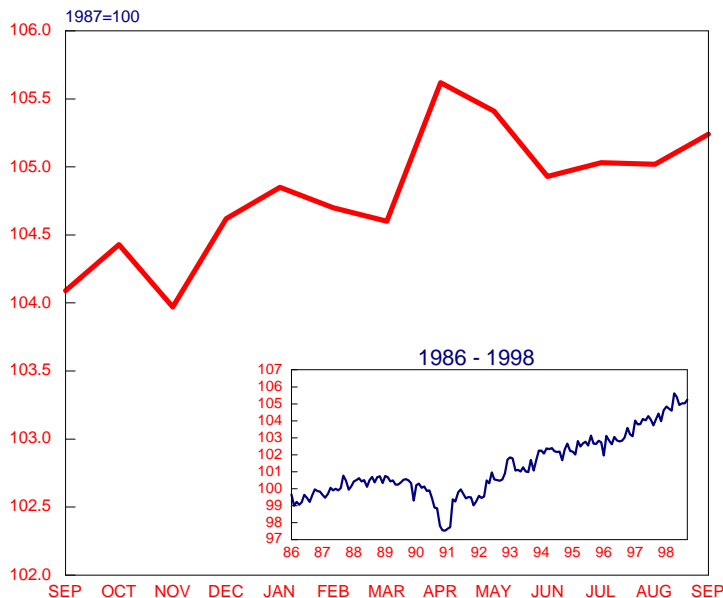


The Metropolitan Coincident Index also gained slightly...

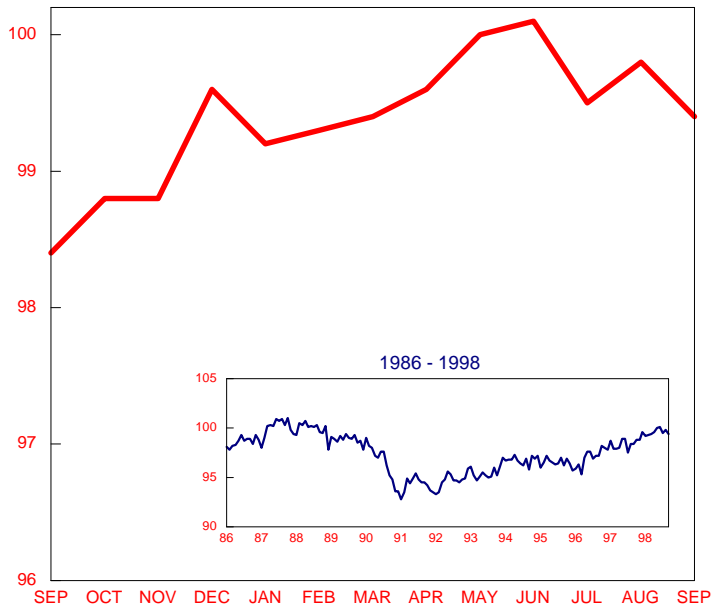
The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, gained a slight 0.2 points in September, increasing to 107.1. The Index is now 0.8 points above its September 1997 level. Three of the Index's four components registered gains in September, including domestic airport passenger volume at the Ronald Reagan National Airport, total wage and salary employment and consumer confidence. By contrast, the non-durable goods sales category reflected a modest decrease in September.



FAIRFAX COUNTY LEADING INDEX



METROPOLITAN LEADING INDEX



The Fairfax County Leading Index gained 0.22 points, its best performance since April 1998...

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future, increased a modest 0.22 points to 105.24 in September. This is the Index's best performance since April 1998. Two of the Index's five components made positive contributions in September. New automobile registrations and the mean value of residential building permits both increased substantially in September. In contrast, initial claims for unemployment insurance increased (worsened) slightly and have now increased for three of the last four months, consumer expectations (consumer confidence six months hence) dropped in September, declining for the third time in four months, and residential building permits declined for a second consecutive month.



The Metropolitan Leading Index declined slightly...

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, declined 0.4 points to 99.4 in September. Despite this decline, the Index still leads September 1997 by 0.7 points. Three of the Index's five components made positive contributions in September. Total building permits increased significantly, while the initial unemployment claims declined (improved) and durable goods sales, adjusted for inflation and seasonal variation, registered a gain. By contrast, consumer expectations declined significantly, while the Help Wanted Index posted a more moderate drop.



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